

14 June 74

MEMORANDUM FOR: Executive Officer, OL
Chief, Budget and Fiscal Branch, OL
Chief, Personnel and Training Staff, OL
Chief, Procurement Management Staff, OL
Chief, Security Staff, OL
Chief, Logistics Services Division, OL
Chief, Printing Services Division, OL
Chief, Procurement Division, OL
Chief, Real Estate and Construction Division, OL
Chief, Supply Division, OL

SUBJECT : Annual Report Call

REFERENCE : Multiple Adse Memo dtd 1 June 74 fr Director,
subject: Issuance of the Annual Report Call
for FY 1974

This year's Annual Report Call is essentially the same as last year's Call, and the report guidelines (reference) are attached. You will note that the specifications for this year's submission have been clarified and include the following noteworthy procedural changes:

a. Some effort has been made in this year's Call to simplify the report with a view toward concise submissions. As a result, it will not be necessary to identify funds and manpower resources consumed during FY 1974 in the accomplishment of each individual objective action plan.

b. Due dates for report submission have been shortened 30 days, with the overall Office of Logistics report due to the DD/M&S 31 July and to the Office of the Comptroller 1 August 1974. Accordingly, your individual feeder reports will be submitted to me no later than 12 July 1974 to ensure adequate time for preparation of a fully coordinated and responsive Office of Logistics report.

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Francis J. Van Dam
Director of Logistics

Att

Distribution:

- 1 - Ea. Adse
- 1 - OL/P&PS Official
- 1 - OL Files

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OL/P&PS: [redacted] jw/3357 (12 June 74)

Unclassified when
separated from Attachment

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DIRECTORATE OUTPUT
OFFICE OF LOGISTICS

*Supplement to
Annual report - requested
by ODM+S Plans Staff*

The major categories of Logistics effort are Procurement, Supply, Transportation, Real Property, Services, and Printing. Following is a description of each of these categories, and the specific outputs designed to satisfy customer/recipient needs throughout the Agency:

a. Procurement. A centralized procurement office exists within the Office of Logistics (OL). In addition OL supervises the activities of the [REDACTED]

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[REDACTED] Professional contracting officers, members of the Directorate career service, form contracting teams which are provided to operating components (primarily in the DDS&T) which have, by the nature of their mission, a large contracting function. Using dollar figures as an example, FY 1973 statistics reveal that the Procurement Division and the [REDACTED] Procurement Office spent [REDACTED] for contracts let and an additional [REDACTED] for purchase orders; the decentralized contracting teams negotiated contracts valued at [REDACTED] and the supply element and its depots did [REDACTED] in direct procurement for an overall total of [REDACTED] attributable to the procurement function. This figure does not reflect the total Agency volume of procurement since field stations also have authority (limited by regulations) to purchase supplies and equipment from the local market. The

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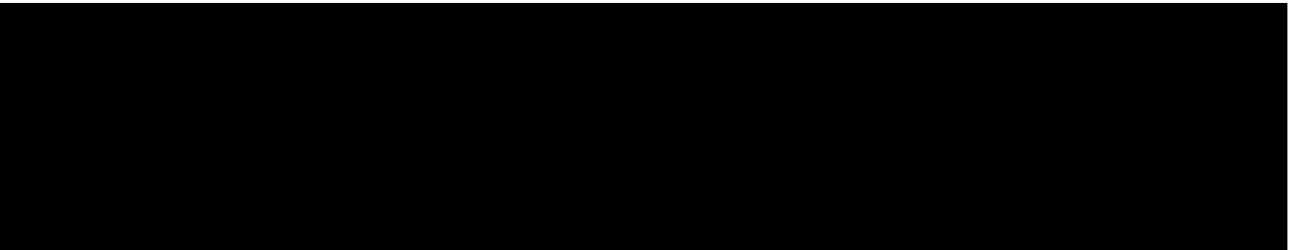
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Director of Logistics (D/L) has been designated as the Agency's Senior Procurement Officer. To ensure that the proliferation of the contracting function does not lead to abuses or unnecessary costs, the DD/L chairs an Agency Contract Review Board (ACRB) with membership comprising of a representative from each Directorate, a legal advisor, an audit advisor, and a security advisor. Basically, the ACRB reviews approved procurement requests, proposed contracts, or amendments which exceed \$150,000 in valuation. The ACRB also reviews cost overruns which exceed \$22,500 or 15 percent of the original cost estimate. The Procurement Management Staff (PMS) acts as the secretariat to the ACRB in addition to its many other functions. 25X1A

PMS provides staff supervision over the activities of the [REDACTED] Procurement Office, lends professional and administrative guidance to the decentralized contracting teams, analyzes the effectiveness of Agency procurement practices, and serves as staff advisor to the D/L. The procurement function is purposely designed as a blend of centralization and decentralization so as to be responsive to the needs of all customer/recipients, which are Agency-wide.

b. Supply (Receipt, Storage, Issue). Approximately 17,000 line items are currently maintained in the Agency supply system. Efforts are now underway to substantially reduce this number. The system

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has been geared to providing service to customers/recipients Agency-

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wide without question. Severe losses of personnel and phase-out of the [REDACTED] facilities have recently been imposed on the supply system. These reductions have now reached the point where some service outputs face

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c. Transportation. As regards people, transportation outputs provided by the logistical system apply only in the metropolitan area of Washington. Three specific outputs are provided: passenger vehicle service (chauffeured and U-drive), shuttle bus, and chauffeured executive service. During FY 1973 outputs of these combined systems totalled 221,600 passengers transported over a distance of 631,000 miles. Demand for this service is expected to increase during FY 1974 due to the energy crisis and parking allocation changes. Outputs in the transportation of things is global in nature. Locally, the supply system operates a fleet of 38 trucks for transporting cargo within the Metropolitan Washington

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area, to airheads and to ports of embarkation, [REDACTED]

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[REDACTED] Globally, the transportation system relies heavily on both the air and sea modes

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[REDACTED]. Costs for air/sea transport worldwide amount to about \$2 million annually. Outputs range from the shipment of routine office equipment to sophisticated electronic gear and refrigerated medicines for customers throughout the world. During FY 1973, overseas shipments totaled 14,400 and consisted of 3,150 tons of equipment and supplies. Domestic shipments totaled 3,700 and consisted of 455 tons.

d. Real Property. This function involves the acquisition, alteration, maintenance, modification, and disposal of real property in the U.S. and abroad. Overseas construction, renovation, and maintenance are accomplished by architectural, engineering, and technical personnel assigned on a tour basis or TDY at overseas installations. Examples of outputs recently completed or now under-way overseas include: [REDACTED]

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[REDACTED] scattered throughout the metropolitan area which require varying degrees of maintenance outputs. Planning is an integral part of

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the real estate function.

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Within the scope of the real

estate function is the acquisition and disposal of domestic safe-houses for various customers/recipients. As of 1 January 1974,

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much higher.)

e. Services. The services system involves customers in the metropolitan area with emphasis on the Headquarters Building at Langley. Customer satisfaction is a frustrating responsibility since it is impossible to please all of the occupants all of the time, and those whose displeasure is incurred can be counted on to voice their complaints. The fact remains that only so much space is available, and more of the available space is continually being usurped by machines. This conversion to machines has also unbalanced an already under-capacity utilities system and

substantial outputs of effort and money are being devoted to rectify this situation, including automatic, autonomous, and standby utility systems. The feeding operation is another concern, and two cafeterias and one dining room are operated under a GSI contract in addition to the Executive Dining Room which is staffed and managed by OL utilizing contract personnel. To be responsive to customer needs and assure their satisfaction insofar as possible, special units have been formed. One unit deals with space maintenance and renovation. Another oversees the problems involved in utility support systems and provides technical engineering support. Outputs of the services system include a myriad of other tasks. The mail and courier system is a prime example. During FY 1973, 788,000 pieces of mail were handled with postage costs amounting to \$155,000. A courier system operates within the Washington area and between the major offices in each of the various buildings. Nearly one million pieces of correspondence flow between these offices each year. Disposal of classified waste is another example of services outputs.

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Other outputs include everything from fence painting, placement of sidewalks, choice of flowers, standards for furnishings, carpeting, and decor all of which are accomplished under the approval of the Fine Arts Commission.

In summary the Services system is an onerous but necessary function which OL continuously tries to do with efficiency. . . and customer satisfaction.

f. Printing. The OL printing facility covers the entire printing spectrum including letterpress and offset printing, computer-assisted typesetting, and a complete photographic and motion picture capability. Three printing plants are operated. These facilities are valued at \$5 million and consume some 800 tons of paper annually. Printing outputs are provided to all segments of the Agency with approximately 55 percent in support of DDI activities, 17 percent DDA, 10 percent DDS&T, 13 percent DDO, and the remaining 5 percent for DCI and extra-Agency requirements. Included in the output versatility is a small graphics and visual aids staff of professional artists, illustrators, and model makers. Their outputs range from creation of a small cartoon to fabrication [REDACTED] Printing 25X1A outputs to customer/recipients outside the Agency include the White House, Atomic Energy Commission, and Department of State.